

## Rich Nations Stall Another Session

Another UN Special Session on the global economic situation ended in New York on Monday September 15 having achieved no positive result; the third such session in the last decade. Despite the intense preparation and fanfare for this Special Session, which began on August 25, and was extended four times before it was finally wrapped up on September 15, there was that feeling of pessimism from the outset among most of the Group of 77 (representing 120 developing nations) even before the sessions began. To many developing nations (as stated in our May '80 issue, after UNIDO III in New Delhi) the realisation had dawned on them that negotiations of this nature bear little fruit.

The immediate goal of this Special Session was to persuade the rich countries to agree to sit down to a conference beginning in January next year and attempt to work out specific action programmes on Third World problems ranging from the increasing rate of their international debt burden, widening trade deficits, rising costs of essential imports and uncertain prices for poor country exports. These demands were not new, but there seemed to be a greater sense of urgency with the global recessionary situation of the 80's causing crises in the economies of several of the poorer nations. This latest round of economic negotiations between rich and poor nations described disparagingly as a "dialogue of the deaf" ended in an impasse (according to Western media reports) after the United States, U.K and West Germany objected to the proposed rules for an international conference on trade and aid. This Special Session which ran over three weeks had to be extended four times in a futile effort to break the deadlock on the procedural issue for another Conference scheduled to begin on January 12 next year.

The Group B richer countries were determined that specialised fora of the UN system, particularly the IMF, the World Bank and GATT should not be explicitly referred to the central forum's overriding authority. There were several differences in the procedural

issue and finally Yugoslavia brought in an amended draft with ambiguities which appeared acceptable to all. But as the Indian *Financial Express* New York correspondent reported..

"The US had reservations which amounted to making sure that the central forum would not even have the unqualified right to set up its own ad hoc bodies to examine the various economic problems and would not have the right to make any changes at all to the decisions arrived at in IMF, World Bank, GATT and other fora. In short, the US was now opposed to any wording which would leave open even the possibility that the central forum, that is, the UN General Assembly, would enjoy any authority whatever over the specialised agencies.

The reason clearly was that, President Carter did not want his opponents to have any reason for being able to say that his Government had "given away" IMF and the World Bank, where the US has an effective veto power because of its block vote, to the third world countries."

As a face saving device the two sides seemed to permit the 153 nations represented at this Special Session to let the regular session of the UN General Assembly, which was about to begin, to attempt to resolve the differences over the next 2½ months of the Assembly's deliberations. This time the United States had a more plausible excuse, namely, that its delegation was not in a position to take a major initiative in the international economic field until after the presidential elections on November 4. Ultimately the "Group of 77" in sheer frustration abandoned action on the strategies they had worked themselves up towards, that is, either pressing for a vote on a resolution on procedures to be adopted for global negotiations and if possible to precipitate differences between sections of the richer Group B nations.

The Chairman of the Group of 77 representing the 120 developing countries Mr. Brajesh C. Mishra blamed the failure of this Session on three Western delegations the United States, West Germany and Britain. Speaking for the Group of 77 in the Assembly Mr. Mishra said:

"Their perceptions are not global but parochial, they do not want to deal with the problems in an integrated and coherent manner but sector-wise. They are more interested in maintaining their entrenched position than in an orderly change in the common interest of all".

The developing countries were pressing for reform of the existing international financial and monetary system in order to win a greater say in this sphere; but the developed countries were obviously reluctant to make concessions that would endanger their existing interests. Mr. Mishra sharply criticised the attitude of the three major Western countries for their position

"By not embarking upon global negotiations they not only expose themselves to grave consequences but the entire international community suffers at their hands. The opportunity and choice are there. What is needed is the statesmanship to grasp the opportunity and make the choice," said Mr. Mishra.

There were also reports that a draft international development strategy for the third development decade had been finalised by consensus, with a view to ensuring a substantial increase on the flow of official development assistance (ODA) to developing countries during the middle of the 1980s. In monetary terms, this would work out to an increase in the current level of 'ODA' from \$22 billions to \$46 billions by 1987 at the latest.

On a motion by Mr. Mishra the Assembly just took 'note' of the draft strategy. It's formal adoption, however, was withheld for tactical reasons by the developing countries which felt that agreement on the procedure for the global round must admittedly receive higher priority. That the talks will stall seems to be the only fact in sight. Many reasons have been preferred for this impasse. Among such strong and cynical views from the Third World was the following:

"It seemed the richer nations want to keep the raw material producing countries sufficiently weak to ensure access to cheap raw materials and markets to which they could export their inflation. If the developing countries were permitted to develop their consumer goods industry in a big way this control might be lost ..... In these circumstances while pious platitudes might be mouthed and some reluctant concessions here and there, might be made, a real beginning of a new economic order still remains a far cry".